



30 April 2014

Mr Jeff Short
fyi-request-1580-bed9db39@requests.fyi.org.nz

Dear Mr Short

Thank you for your request, made under the Official Information Act 1982 (OIA), received by Inland Revenue on 29 March 2014. You have requested information on the following:

- [1] Provide details of the average time Inland Revenue retain individual KiwiSaver contributions before it is transferred to a KiwiSaver scheme provider*
- [2] Provide the monthly interest rates paid on retained KiwiSaver contributions for the financial year ending 2013.*

In response to question 1 of your request, payments are paid together with other monies an employer has to pay to Inland Revenue (such as the tax your employer deducts from your salary and wages and other payments and deduction that an employee may be liable for, such as child support). There is a delay while we check the employers' return. We pay the payments to scheme providers once we've made sure that the employer's return is correct.

In addition to Inland Revenue needing to check the employers return, there may also be a delay between when deductions are made from an employee's wages and when the employer files their return with Inland Revenue. Overall, KiwiSaver payments can take over two months to be passed to KiwiSaver scheme providers.

On average, Inland Revenue retained KiwiSaver employee deductions and employer contributions for 22 calendar days and 36 calendar days respectively, in the 2013 financial year, before transferring the deduction or contribution to the KiwiSaver scheme provider.

In response to question 2 above, interest is paid on contributions held by Inland Revenue on behalf of members. Interest was previously paid with every transaction when passed to the KiwiSaver scheme provider. This changed from 1 June 2013 and interest is now paid monthly. Consequently the date the interest is passed to the provider will not always match the date the contribution was passed to the provider.

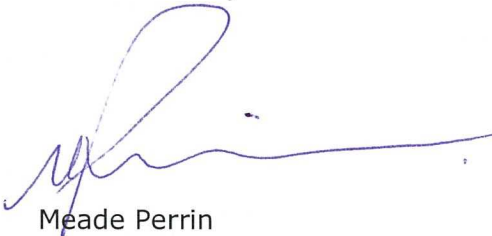
The table below details the interest rates relating to the specific period.

Period from	Interest rate
8 May 2012	1.57%
16 Jan 2011	1.95%
1 Oct 2010	1.63%
1 Oct 2009	1.59%
29 Jun 2009	1.47%
1 Mar 2009	3.41%
1 Jul 2007	5.36%

Further information can be found at <http://www.kiwisaver.govt.nz/already/track-contrib/contrib-process>.

This response fully covers the information you have requested. I trust the information provided will be of assistance to you.

Yours sincerely



Meade Perrin

**KiwiSaver Business Owner, Performance and Optimisation
Service Delivery, Inland Revenue**